READEX

United Nations A/C.5/53/SR.46

General Assembly
Fifty-third session

Official Records

Distr.: General
26 March 1999

Original: English

Fifth Committee

Summary record of the 46th meeting
Held at Headquarters, New York, on Monday, 8 March 1999, at 10 a.m.

Chairman: Mr. Abelian ..... (Armenia)
later: Mr. Armitage (Vice-Chairman) ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Organization of work

Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

99-80241 (E)

The meeting was called to order at 10 a.m.

Organization of work (A/C.5/53/L.37 and L.38)

The meeting was suspended at 10 a.m. and resumed at 10.10 a.m.

Status of documentation (A/C.5/53/L.37)

1. **Mr. Acakpo-Satchivi** (Secretary of the Committee) updated the Committee on the status of documentation.

Proposed programme of work (A/C.5/53/L.38)

2. **Mr. Barnwell** (Guyana), speaking on behalf of the Group of 77 and China, expressed concern over the growing tendency among some members of the Committee to blame the Group of 77 and China for the lack of progress on certain items. In that connection, he recalled the unwarranted remarks that had been made by a group of Member States, which had accused the Group of 77 and China of inconclusive negotiations on a certain agenda item when in fact only the Group of 77 and China had put forward proposals on the issue. The Group of 77 and China had also noted with deep concern the undiplomatic and impolite remarks which one delegation had made to the local media about some developing countries. Such an attitude was neither acceptable nor conducive to the success of the Committee's work.

3. With regard to the Committee's proposed programme of work, he wished to reiterate his concern over the late submission of documents, which disrupted the Committee's smooth functioning and should therefore be addressed by the Secretariat. He noted further that a number of reports had not been submitted in accordance with General Assembly resolutions 52/214 B and 53/208 B and would welcome from the Secretariat an explanation of the reasons for its failure to comply with the General Assembly's decisions on the format of reports originating in the Secretariat.

4. The Committee should allocate sufficient time to the agenda items on human resources management, procurement reform and budget-related issues, including the Development Account, gratis personnel, scale of assessments and review of the implementation of General Assembly resolution 48/218 B. That objective could be attained through better organization of the Committee's programme of work. Meetings should not be fragmented and too many items should not be clustered together in one meeting.

5. The Committee should begin its consideration of the issue of procurement reform and defer consideration of outsourcing practices until it received the comments of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the relevant report of the Secretary-General.

6. **Mr. Stein** (Germany), speaking on behalf of the European Union, said that the proposed programme of work was overloaded and did not devote adequate time to priority issues. Some streamlining was therefore necessary if the Committee wished to achieve tangible results. In the past, a great deal of time had been spent on items which had had no realistic chance of being concluded. The guiding principle should therefore be that an agenda item should be opened for discussion only if there was a realistic chance of achieving a meaningful result.

7. Turning to specific items, he noted that the Committee on Contributions had met in special session the previous month and that its report should be considered before the Committee took up its consideration of item 118, on the scale of assessments. Revised estimates were needed before the Committee took up item 141, on the financing of the United Nations Missions in Haiti. The sub-item on the Integrated Management Information System (IMIS) was an important one, since the System needed additional funding. Item 119, on human resources management, was also important and more time should be allocated to it in the Committee's proposed programme of work. Under item 112, there was no need to consider together the issues of procurement reform and outsourcing. The documentation on procurement reform had already been introduced in the first part of the fifty-third session and informal consultations on the issue could therefore begin immediately. On the other hand, the report of the Secretary-General on outsourcing had not yet been introduced and that report and the related report of ACABQ should therefore be introduced at a later stage during the current part of the resumed session.

8. The Committee had already spent a considerable amount of time and effort on the issue of the Development Account (item 113). The positions of the various delegations, however, remained far apart and it might therefore be useful for the coordinator of the item to explore the chances of agreement and to suggest on that basis how much time should be allocated to the item.

9. Conceptually, the positions of the various delegations on the review of the implementation of General Assembly resolution 48/218 B (item 145) were also far apart and, there again, the coordinator of the item should explore the possibility of agreement before a decision was made on how much time should be allocated to the item.

10. With regard to the item on pattern of conferences (item 117), the report of the Joint Inspection Unit (JIU) on publications should be finalized and, if time allowed, taken up by the Committee towards the end of the current part of the resumed session. Not much time would be needed to consider the various reports of the regional groups on conference services in Nairobi. Finally, the issue of economy measures in conference services should first be taken up by the Committee on Conferences before it was considered by the Fifth Committee.

11. **Mr. Watanabe** (Japan), said that, in view of the limited time available, the Committee should consider only the most urgent items, such as human resources management, the Development Account, financing of the United Nations peacekeeping operations, and the scale of assessments. He agreed with the representative of Germany that the coordinators of the items on the Development Account and the report of the Secretary-General on the activities of the Office of Internal Oversight Services (OIOS) should first explore the possibility of reaching a consensus on the items before they were taken up by the Committee in plenary meeting.

12. **The Chairman** suggested that, in order to save time, the Committee should follow the programme of work proposed in document A/C.5/53/L.38 only during the first three days of the current part of the resumed session. The Bureau would review the programme of work for the remaining part of the session, on the basis of the comments that had been made, and submit a revised programme of work for the Committee's approval. If he heard no objection, he would take it that the Committee agreed with his proposal.

13. *It was so decided.*

14. **Ms. Buergo Rodriguez** (Cuba) noted that the first year of the biennium 1998–1999 had ended. It would be helpful to delegations if the Secretary-General could report on the progress achieved in certain specific areas, such as the level of expenditure during the year just ended, the vacancy situation and the status of implementation of paragraphs 17, 87 and 99 of Assembly resolution 52/220.

15. **Mr. Stein** (Germany), speaking on behalf of the European Union, said that the Committee should await the report of ACABQ on procurement reform before it took up its consideration of that item.

16. **The Chairman** said that he would seek the views of the Chairman of ACABQ on the matter.

17. **Mr. Odaga-Jalomayo** (Uganda) said that he was deeply concerned at the proposal made by the representative of Germany on behalf of the European Union that certain items should be opened for discussion only after the coordinators had explored the possibility of reaching consensus. Back-room negotiations were not the right way for the Committee to approach its work. Despite the constraints of time, the Committee must assume its responsibilities and complete certain priority items during the current resumed session.

18. **The Chairman** said that there was no question of taking decisions or altering the Committee's programme of work in back-room sessions and that any agenda item was open for discussion. In order to ensure adequate time for deliberations, he would request conference servicing for evening meetings.

19. **Mr. Stein** (Germany), speaking on behalf of the European Union, said he had not meant to suggest that consultations should be held in the absence of certain delegations but merely that efforts should be made to determine during informal consultations whether agreement could be reached on certain issues in order to assist the Chairman in allocating time to various agenda items under the revised programme of work.

20. **The Chairman** said that all the views expressed would be taken into account in the preparation of the Committee's revised programme of work.

21. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, unfortunately, the report of the Secretary-General on outsourcing practices (A/53/818) had not yet been issued when he had introduced the report of the Advisory Committee on procurement reform (A/53/692) during the main part of the fifty-third session. The representatives of the Group of 77 and China and of the European Union had proposed that the Committee should defer consideration of the report on outsourcing practices until the Advisory Committee had submitted its recommendations on it. However, the Advisory Committee was currently reviewing peacekeeping operations and the support account. In his view, it would be most appropriate for the Advisory Committee to take up the report in question as part of its consideration of the next budget, which would begin in May 1999. However, if it was the wish of the Fifth Committee, he would ensure that the Advisory Committee considered the report during the current month and submitted its recommendations to the Fifth Committee in May.

22. **The Chairman** announced that Ms. Brennen-Haylock, Vice-Chairman of the Committee, was unable to attend the current resumed session of the Committee owing to her new responsibilities in the Ministry of Foreign Affairs of the

Bahamas. He asked the Secretary to convey to Ms. Brennen-Haylock the Committee's congratulations and best wishes for her continued success.

Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations

23. **Mr. Paschke** (Under-Secretary-General for Internal Oversight Services) introduced the report of the Office of Internal Oversight Services on the review of the procurement of Lysol by the United Nations High Commissioner for Refugees (A/52/887). The review had been conducted pursuant to General Assembly resolution 51/231 and had involved consideration of the circumstances and events leading to the procurement of over 1.5 million litres of Lysol at a cost of $2.3 million for distribution to beneficiaries in the former Yugoslavia and the non-distribution and subsequent re-export of about 90 per cent of the disinfectant from Belgrade. In its audit report for the year ending 31 December 1995 (A/51/5/Add.5), the Board of Auditors had reported that the Office of the United Nations High Commissioner for Refugees (UNHCR) had suffered a loss estimated at $3 million because of the host country's retroactive refusal to allow import of the product and had recommended that UNHCR should improve its procedures for needs assessment and undertake more detailed planning and analysis prior to the procurement of bulk commodities.

24. After reviewing the original needs assessment, the Office of Internal Oversight Services (OIOS) had concluded that UNHCR could not have anticipated the Belgrade authorities' refusal to grant clearance for the importation and distribution of Lysol, which was not a banned product in Yugoslavia or in other countries. Moreover, the actual loss incurred by UNHCR had been US$ 2.1 million; the original estimate had not taken into account the fact that about 155,000 of the 1,570,000 litres in question had, in fact, been distributed in the former Yugoslavia and that some of the remainder had been re-exported for use in other UNHCR programmes. While the loss must be considered high by any standard, there was no evidence of negligence on the part of UNHCR and it appeared that UNHCR staff members, both in Belgrade and at headquarters, could not have anticipated the problem and had done their utmost to resolve it.

25. *Mr. Armitage (Australia), Vice-Chairman, took the Chair.*

26. **Mr. Paschke** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services on the review of procurement-related arbitration cases (A/53/843), prepared pursuant to General Assembly resolution 52/226, said that there had been a delay in submission of the report owing to the variety of complex issues and large amounts of information involved, the technical and sensitive nature of that information and the need to incorporate comments from different offices and departments. To the extent possible, steps would be taken to prevent such delays in the future.

27. All United Nations contracts contained a standard clause, which provided that contract disputes, unless settled amicably, would be referred by either party to arbitration, in accordance with rules endorsed by the General Assembly. From 1995 to September 1998, legal action had been initiated against the Organization in 12 procurement cases, all related to peacekeeping operations. The review had concentrated on the five cases which had been resolved through arbitration or settlement. Those cases had involved claims totalling US$ 52.6 million and had cost the Organization about $26.7 million in arbitration awards and settlements, legal and arbitration fees of $2.3 million and interest charges of $4.8 million.

28. The review had identified a number of problems which had contributed to the development of contract disputes that must often be resolved through arbitration or settlement: a lack of necessary resources, including civilian procurement personnel; inadequate consultation between Headquarters and mission personnel; failure to comply with procurement rules and procedures and to pay undisputed charges in a timely manner; and a lack of clear contract terms. Although arbitration and settlement awards constituted a relatively small portion of overall procurement costs, they involved substantial additional expense as a result of interest charges, legal fees and staff hours. Arbitration was an unpredictable and costly method of resolving contract disputes and should be avoided to the extent possible.

29. The report included recommendations that peacekeeping missions should be staffed with qualified procurement and contract administration personnel; that clear guidelines on documenting deviations from contracts should be issued; that undisputed payments should be made promptly in order to avoid claims for interest; that unsatisfactory vendor performance should be evaluated and documented; that Headquarters should review all aspects of arbitration and settlement cases to identify lessons learned; and that that information should be disseminated to peacekeeping missions and other key participants in the procurement process. The names of contractors and specific contract designations had not been included in the report because, under the rules of arbitration, such information could not be disclosed without the consent of both parties.

30. **Mr. Niwa** (Assistant Secretary-General for Central Support Services) said that the Secretariat had addressed the basic issues involved in the reform process and was working to ensure compliance with the changes that had been introduced. A new director of the Procurement Division had been appointed and the Division's organization of work had been refined. While its commodity-based framework had been maintained, improvements had been introduced to provide a better response to requisitioners. The financial regulations and rules governing procurement had been revised but had yet to be incorporated into the larger review being carried out by the Office of the Controller. Furthermore, pending the revision of paragraphs (f) and (g) of financial rule 110.19 as called for in General Assembly resolution 52/226, paragraph 18, he had issued a memorandum in April 1998 to ensure that the procurement of professional supplies, medicines, medical supplies, hospital or surgical supplies and prosthetic appliances were no longer exempt from competitive bidding. The Division was consulting with the Office of Legal Affairs with regard to the Advisory Committee's questions on the definition of exigency. Only three such cases had been approved in 1998, and the Division was considering a requirement that the head of the department making the request must provide written authorization for the submission of cases based on exigency to the Committee on Contracts.

31. Turning to concerns raised by Member States during the main part of the fifty-third session, he said that a number of the points raised by the representative of Panama on behalf of the Rio Group had concerned compliance and that every effort was being made to ensure that regulations, rules and procedures were observed and increased use was made of the Procurement Division Web site. However, the Organization lacked the in-house resources to handle food rations for peacekeeping missions.

32. The European Union had correctly identified a number of areas of performance measurement that required additional work. A consultant had been engaged to assist with that problem. Some delegations had proposed that pricing information should be made public during the procurement process; however, it was current United Nations practice not to do so because, since price was not the determining factor in awarding contracts, disclosure of such information would be misleading. However, he agreed that the Organization could do more to explain to unsuccessful bidders why a bid had been unsuccessful.

33. Lastly, the representative of Syria had proposed that the vendor roster should be further expanded to increase representation of suppliers from developing countries. He hoped that use of the United Nations common supplier database would make that possible.

34. **Mr. Herrera** (Mexico), speaking on behalf of the Rio Group, said that no action had been taken on any of the proposals made by the representative of Panama on behalf of the Group during the main part of the fifty-third session. His delegation would endeavour to ensure that the Group's requests were met.

35. **Mr. Saha** (India) said that, although the Assistant Secretary-General for Central Support Services had mentioned increased use of the Procurement Division Web site, some companies had complained that there had been no new postings since August 1998.

36. **Mr. Niwa** (Assistant Secretary-General for Central Support Services), speaking in reply to the representative of Mexico, said that he had prepared a detailed response to the proposals of the Rio Group and looked forward to discussing them with the Committee in informal consultations.

37. There had, in fact, been a problem with the Procurement Division Web site, but it had been solved during the previous week.

38. **Ms. Incera** (Costa Rica) said that she had had no answer to the questions which she had raised during the main part of the session with respect to the company that had been given the contract for the escalators and to the issue of security at Headquarters. She noted the lack of security guards on the second floor at Headquarters and the loss of one of the security guards assigned to the President of the General Assembly. It was essential that the President should be assigned two security guards as in the past. She could not accept the excuse that the reduction had been prompted by a lack of resources since the security canine unit was on duty from 9 a.m. to 5 p.m. daily at an annual cost of $150,000. She wondered whether that contract had been awarded through competitive bidding and, if not, why not. In any case, it was unacceptable to claim that the Organization could afford the services of a security dog but could not adequately protect the President of the General Assembly.

39. Furthermore, during the previous week, the Permanent Representative of Costa Rica had been denied access to an event which had taken place in the Trusteeship Council Chamber on the grounds that the room was already full. The United Nations belonged to its Members, and Permanent Representatives could not be excluded from a meeting to which outsiders had been given entry. Some of the security guards should be given training in the proper treatment of Permanent Representatives.

40. **Ms. Buergo Rodríguez** (Cuba) said that the important issue of security raised by the representative of Costa Rica deserved careful consideration, especially in view of the need for continued monitoring of budget performance for the current biennium. In that regard, General Assembly resolution 52/220, paragraph 99, recognized the importance of the security system and guards in the United Nations and requested the Secretary-General to keep under review the level of resources allocated to that function. The staffing tables contained in that resolution did not reflect a decrease between 1998 and 1999, a fact which made the current reduction in security personnel on duty all the more disturbing.

The meeting rose at 11.30 a.m.

United Nations A/C.5/53/SR.47

General Assembly
Fifty-third session

Official Records

Distr.: General
26 March 1999

Original: English

Fifth Committee

Summary record of the 47th meeting
Held at Headquarters, New York, on Tuesday, 9 March 1999, at 10 a.m.

Chairman: Mr. Abelian ..... (Armenia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Tribute to the memory of Carlos Vegega, Vice-Chairman of the International Civil Service Commission

Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Other matters

Organization of work

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

99-80247 (E)

The meeting was called to order at 10 a.m.

The meeting was suspended at 10 a.m. and resumed at 10.05 a.m.

Tribute to the memory of Carlos Vegega, Vice-Chairman of the International Civil Service Commission

1. *At the invitation of the Chairman, the members of the Committee observed a minute of silence.*

Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/52/887 and A/52/1010; A/53/271 and Corr.1 and Add.1, A/53/692 and A/53/843; A/C.5/52/46)

2. **Mr. Saha** (India) said that, while the Procurement Division Web site homepage appeared to be functional, no new invitations to bid had been posted. He asked whether no procurements were being made at the current time, or whether the absence of postings was due to technical problems.

3. **Mr. Orlov** (Russian Federation) said that his delegation had noted with regret the delay in issuing the report of the Office of Internal Oversight Services on the review of procurement-related arbitration cases (A/53/843). Furthermore, the report failed to answer many of the questions raised by Member States. His delegation would like to have known how the payment of arbitration awards and settlements was financed and what was the impact on the budget; how lawyers were selected to act on behalf of the United Nations in arbitration cases and how they were paid; who took decisions regarding the payment of settlements in cases which did not reach arbitration; and what disciplinary action was taken against the Secretariat officials found responsible.

4. The report raised a number of issues which gave cause for concern. First, the overall level of claims and the sums paid out in respect of such claims were unacceptably high. Second, vital procurement functions were being entrusted to persons who were not accountable for their actions before the Organization, a problem of which Member States were only now being informed. Third, although the issue of accounting was not dealt with, it appeared that multi-million dollar sums paid out as a result of arbitral proceedings were being described in reports on peacekeeping operations expenditures as payments for the goods and services concerned. If that was the case, the practice must cease and accounting with respect to arbitration cases must be more transparent.

5. A local newspaper had recently reported that a contractor had received some $6.9 million in compensation from the United Nations. The same contractor had made a second claim for an amount exceeding $40 million. In both cases, punitive damages had also been sought. His delegation would like to know whether the sum received by the contractor represented an arbitration award or a settlement, and why there was no mention of it in the report before the Committee. It also wondered what was the practice of the United Nations with respect to punitive damages.

6. **Mr. Niwa** (Assistant Secretary-General for Central Support Services) said that, as far as he was aware, the major procurement opportunities were posted on the Procurement Division Web site homepage, although the list was not exhaustive, and he recognized that the Web site needed constant attention and improvement. He would deal with the remaining points raised by members of the Committee during the informal consultations.

Other Matters

7. **Mr. Niwa** (Assistant Secretary-General for Central Support Services) said that he would first seek clarification from the Costa Rican and Cuban delegations regarding the exact nature of their concerns with respect to the contract for the escalators before responding to the points they had raised. As to the questions on security, he wished to emphasize that the Security and Safety Service must respond to threats as they arose, which sometimes required the redeployment of officers. His Office had already reviewed the security arrangements for the North Lounge and had concluded that the previous level of cover should be reinstated. The number of officers assigned to the President of the General Assembly varied from year to year depending on the security risks faced by the Organization. There had been no departure from established practice with respect to the security arrangements for the current President. His staff had deemed those arrangements to be adequate, and he trusted their professional judgement.

8. With regard to the canine unit, he said that suspicious packages had previously been dealt with by the bomb squad of the host city, a procedure requiring, on average, between one and two hours. It had been decided in September 1998, in the light of the increasing number of such packages and in order to minimize the disruption to the work of the Secretariat, to employ a sniffer dog on a trial basis. His Office saw the canine unit as a means of enhancing the level

of protection provided and was examining the possibility of making the arrangement permanent.

9. As to the difficulties experienced by the Permanent Representative of Costa Rica during the previous week in gaining access to an event in the Trusteeship Council Chamber, he had been informed that the presence at that event of the First Lady of the United States and the Secretary-General had created overwhelming interest, and that it had been necessary, for safety reasons, to restrict access to the Chamber. The problem had arisen not because officers lacked training, but because of circumstances beyond their control. His Office would consider the possibility of reserving seats for the heads of Permanent Missions at such events in future.

Organization of work

10. **The Chairman** drew attention to a document circulated informally which contained the changes made to the proposed programme of work (A/C.5/53/L.38) on the basis of the comments at the 46th meeting. The revised programme of work was not binding and further amendments would be made as necessary. He noted that evening meetings, beginning at 6.30 p.m. and ending at 9.30 p.m., would be scheduled as required from the second week of the resumed session, on the basis of consultations with the coordinators of the various agenda items.

11. **Mr. Kabir** (Bangladesh) said that, while the informal consultations of the previous day had been helpful, the positions of the various delegations on the Development Account remained far apart, and he had therefore requested that the informal consultations scheduled for the afternoon should be postponed in order to allow additional time for exchanges of views. He was surprised that the secretariat had not taken account of that suggestion in preparing the revised programme of work.

12. **The Chairman** said that such suggestions could be reflected only if the Bureau received a formal request from the coordinator of the agenda item. Nevertheless, if there were no objections, the informal consultations would be cancelled.

13. *It was so decided.*

14. **Mr. Odaga Jalomayo** (Uganda) said that, while he supported the holding of evening meetings, he took it that there was no intention to schedule night meetings, which presented practical difficulties for small delegations.

15. With regard to the paper which had been circulated informally showing the utilization of conference services by the Committee during the fiftieth to fifty-third sessions of the General Assembly, he said that, unfortunately, it gave no indication of the Committee's output. More information was needed. He would like to know, for example, how many agenda items had been allocated to the Committee during each session, and what percentage of those items had been taken up and concluded or deferred until the resumed session. Such data would enable the Committee to judge whether the conference services provided had been used constructively.

16. **The Chairman** said that the information in the document had been provided for statistical purposes only and was not intended as a basis for qualitative appraisal of the Committee's work. He would, however, discuss with the Bureau and the secretariat the possibility of obtaining the data requested.

17. **Ms. Incera** (Costa Rica) said that a prior commitment had prevented her from being present during the replies by the Assistant Secretary-General for Central Support Services to the concerns she had raised with respect to security. She therefore reserved the right to take the floor on the matter at a subsequent meeting.

The meeting rose at 10.50 a.m.

United Nations A/C.5/53/SR.48

General Assembly
Fifty-third session

Official Records

Distr.: General
30 March 1999

Original: English

Fifth Committee

Summary record of the 48th meeting
Held at Headquarters, New York, on Thursday, 11 March 1999, at 10 a.m.

Chairman: Mr. Abelian ..... (Armenia)
later: Mr. Armitage (Vice-Chairman) ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 113: Programme budget for the biennium 1998–1999 *(continued)*

Integrated Management Information System (continued)

Other matters

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

99-80253 (E)

The meeting was called to order at 10 a.m.

Agenda item 113: Programme budget for the biennium 1998–1999 *(continued)*

Integrated Management Information System (continued) (A/53/7/Add.7, A/53/573 and Add.1, A/53/662 and Corr.1 and A/53/829)

1. **Mr. Connor** (Under-Secretary-General for Management), introducing the addendum to the tenth progress report of the Secretary-General on the Integrated Management Information System (IMIS) (A/53/573/Add.1), said that the numerous progress reports and analyses of IMIS confirmed that the system worked; in fact, it was used every day by hundreds of staff worldwide. The completion of the development phase of what was a highly complex task was rapidly approaching. As indicated by the independent experts, additional expenditures had been incurred and the project had not been completed on schedule, but it had not failed. Progress continued to be made: the new version of the finance applications had been implemented on 1 February, payroll and related applications were being tested and the implementation of Release 3 at offices away from Headquarters would begin on 1 July in Vienna. Practically all operational and maintenance activities had been taken over by Secretariat staff. Reliance on contractors would continue to decrease and would be limited to the activities described in the progress report.

2. The development of IMIS had been long and difficult and some difficulties were still bound to arise, but the major problems had been overcome. The resources requested in paragraph 6 of the report were needed to complete the project; without those funds final development and implementation activities would have to be terminated at the end of July.

3. **Mr. Paschke** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (OIOS) on the increase in costs of the Integrated Management Information System development contract (A/53/829), said that the OIOS analysis showed that the cost increase of nearly 170 per cent of the original contract amount was the result of three major causes.

4. First, contract amendments had been issued for out-of-scope development work to rectify incomplete and/or incorrect specifications and add many new functionalities, amounting to $11 million net, or 65 per cent of the $17 million base contract. Since IMIS had been the first such complex systems development effort by the United Nations, the preliminary work undertaken had not resulted in complete and correct requirements specifications, due in part to the fact that the Organization as a whole had not had uniform and integrated policies and procedures. There had also been insufficient participation by users, particularly in the initial phases of the development process. Therefore, significant changes had been made as the system progressed, including the reworking of some completed segments and the addition of many new functionalities to improve operational efficiency. While the cost overruns had been in line with those experienced in industry, they could have been reduced by proper planning.

5. The other two causes, namely implementation and production support and software maintenance, had together accounted for $17.7 million of the cost increase. Those requirements had not been included in the original contract, as that work was originally to have been done internally. However, due to inadequate planning and insufficient resources, skilled staff in particular, user departments had generally been unprepared to undertake those functions. The undue reliance on the contractor and the project team had contributed to further delays and cost increases. Through proper planning, more of the work could have been done internally, possibly with some cost savings.

6. The Organization was planning to implement the remaining IMIS releases system-wide by August 2000. The Administration was optimistic that the challenge of implementing those releases would be met and that further use of contractual services would be limited to those requests made in budget proposals. However, unless management took concerted action, it was possible that the same difficulties encountered in implementation of the earlier releases might recur and could result in further delays and cost increases. User training, effective operational support and proper maintenance were critical for the institutionalization of IMIS as an operational tool.

7. **Mr. Stein** (Germany), speaking on behalf of the European Union, said that the European Union attached great importance to the efficient and effective implementation of IMIS and believed that it was crucial for the overall functioning of the United Nations. It took note of the OIOS finding that a number of deficiencies during development and implementation had caused partially avoidable increases in the contract cost. Those findings were serious, and the Secretariat must take them into account. The European Union concurred with the view of the Secretary-General that there was no need for a revision of the budgetary estimates for the completion of IMIS and agreed with the recommendations made in document A/53/573/Add.1, paragraph 6.

8. **Mr. Repasch** (United States of America) said that his delegation also attached great importance to IMIS and saw it as central to a more modern and efficient United Nations. With reference to paragraph 6 of document A/53/573/Add.1, he enquired whether the resource requirements for operationalization reflected just the system costs, or training and other costs as well, and whether only regular budget resources were being considered.

9. **Mr. Jaremczuk** (Poland) said that his delegation aligned itself with the statement made by Germany on behalf of the European Union.

10. **Ms. Silot Bravo** (Cuba) said that her delegation regretted the delay in receiving the report of OIOS. It took note of the causes identified in the report for the cost increases and agreed that better and more detailed planning and preparation had been needed. Her delegation saw the participation of the intended users of the system as essential to its development; the lack of such participation had led to obstacles and delay. She was also concerned by the excessive reliance on contractors because of a lack of trained human resources within the Secretariat staff. Staff training would be essential for effective long-term operational support for the system. Her delegation requested assurances from the Administration that there would be less reliance on contractors in future.

11. The substantive comments on the OIOS recommendations contained in the report of the Secretary-General were welcome and highly useful. Simply because of the project's size and complexity, however, her delegation did not see how it could be completed without additional resources. Any proposed additional resources should therefore be considered through the regular budgetary process. She enquired whether the contingency fund could be used for the completion of the project and how much could be allocated.

12. **Mr. Park Hae-Yun** (Republic of Korea) said that his delegation was concerned that the $11 million in excess costs attributed to incomplete planning could lead to spiralling costs in future. Since that portion of the excess cost had been due in part to an internal lack of preparedness, his delegation attached importance to sufficient budgetary allocations for the training needed. It also attached importance to the implementation of recommendation 3 contained in the report of OIOS (A/53/829, para. 49).

13. *Mr. Armitage (Australia), Vice-Chairman, took the Chair.*

14. **Mr. Orr** (Canada) said that the problems encountered were not unique to the United Nations; the report of the independent experts had noted that the Government of Canada had experienced similar problems in its efforts to design its own system. His delegation therefore believed that the total cost for the project was reasonable given the size and complexity of the Organization.

15. He requested assurance that, if the Committee approved the request for further funding, the Organization would be prepared to address the Y2K problem. He also enquired how further funding for the ongoing maintenance and upgrading of the system would be sought.

16. **Mr. Moktefi** (Algeria) said that the report of OIOS had highlighted the basic problem, which had been insufficient participation of the major system users. He asked what practical measures the Secretariat had taken to involve them in the planning and design of the system. Recommendation 1 of OIOS was highly relevant to that question. More information was needed on the percentage of the excess cost that was the responsibility of the contractor, in order to avoid recurrence of the problem during the implementation phase. He would also like to know the exact date of the final implementation of IMIS throughout the United Nations system.

17. **Mr. Connor** (Under-Secretary-General for Management) said that the figure of $77.6 million referred to in paragraph 6 (b) of document A/53/573/Add.1 represented only the cost of the development and implementation of IMIS. The other costs, including ongoing operation and long-term maintenance, had been calculated separately. The relevant data were contained in the ninth progress report of the Secretary-General (A/52/711, annex II).

18. Users had been consulted throughout the development process. Problems had arisen because user needs had changed over time or had not been properly thought through. Nonetheless, a high degree of user satisfaction had been achieved, which was reflected by the most recent usage figures. Currently, the number of concurrent users at Headquarters averaged several hundred.

19. The additional resources required for operating, maintaining and upgrading IMIS would appear in future programme budget submissions. It was expected that the involvement of contractors would end with the completion of the implementation phase of the project. The Secretariat staff would then be responsible for operation, maintenance and upgrading. His department had requested the conversion of 29 posts for that purpose.

20. With regard to year 2000 compliance, the effective functioning of IMIS was vital, not only for the Secretariat,

but also for those specialized agencies which used the system. All IMIS software was certified year 2000 compliant by the manufacturers. Nevertheless, his Department had purchased insurance in case of a software failure, in accordance with a recommendation by the independent experts. There were information systems in the Organization which were not connected to IMIS, but every effort was being made to render them year 2000 compliant also. The Consultative Committee on Administrative Questions was to hold a meeting on the following day to discuss crisis management strategies.

21. He was cautiously optimistic that the implementation of IMIS would be completed on schedule. In the past, delays had occurred largely because of the poor quality of existing data, with clean-up requiring several months. The next key step would be the implementation of payroll. The progress made thus far was good.

22. He would reply later to the question posed by the representative of Cuba on the contingency fund.

23. **Ms. Silot Bravo** (Cuba) said her delegation shared the concerns expressed in the report of OIOS (A/53/829) at the absence of any guarantee that problems similar to those experienced in previous years would not recur with the implementation of the remaining IMIS releases, resulting in further cost escalations. Moreover, it was not convinced that such a costly project as IMIS corresponded to the needs of an organization facing severe financial constraints.

24. **Mr. Connor** (Under-Secretary-General for Management) said that, while the cost of the project appeared high, it did not reflect the hours of extra time put in by the highly committed group of staff working on IMIS. The system's effectiveness was not in doubt. While he could give no guarantee, there was every indication that the project would be completed by early 2000 at approximately the cost estimated.

Other matters

25. **Ms. Incera** (Costa Rica) said that while the escalators between the first basement and fourth floor had been replaced the previous summer, they appeared to function less efficiently than before. She would therefore like to know which company had been awarded the contract, and whether it was also responsible for escalator maintenance.

26. She had noted with satisfaction the responses by the Assistant Secretary-General for Central Support Services at the 47th meeting to the points she had raised on security. The decision to reinstate the previous level of cover in and around the North Lounge was most welcome, and she hoped that the security arrangements for the President of the General Assembly would also be reconsidered. She agreed that the canine unit performed an important and necessary role in dealing with suspicious packages. However, she wondered whether the use of outside contractors by the unit was cost-effective; whether the contract had been subject to competitive bidding; which company had been awarded the contract; and why the Organization could not train its own dog, instead of relying on a contractor.

27. **Mr. Sulaiman** (Syrian Arab Republic) said that the high cost of the canine unit was a serious problem. He was also concerned that many of the telephones in the corridors of the building were out of order. The situation had not improved since he had first raised the matter two years earlier, yet it was vital that members of the diplomatic corps should be able to contact their missions at all times. Also, the Garage Administration must ensure that parking bays reserved for cars with diplomatic plates were not used by other vehicles.

28. **Ms. Buergo-Rodríguez** (Cuba) said that her delegation remained deeply concerned at the lack of adequate protection on the second floor of the building. The security arrangements there were not consistent with section 27D, paragraph 15 of the proposed programme budget for the biennium 1998-1999 (A/52/6/Rev.1), which stated that the fundamental duty of the Security and Safety Service was to provide a safe and secure environment for visiting dignitaries, delegates, staff and visitors to the United Nations. The staffing table for 1998 and 1999, contained in General Assembly resolution 52/220, annex I, set the number of security officers at 171. She wondered what the current vacancy rate was. With regard to the problem of suspicious packages, she would like to know how many incidents there had been in the previous year. She had been surprised to learn that the canine unit had hired an outside contractor, and wondered what the exact cost to the Organization was, since, in the programme budget for the current biennium, only $2,000 had been allocated for contractual services, specifically for the printing of various forms required for security and safety purposes (section 27D, paragraph 21). She would appreciate written answers to those points.

29. The 48th Street garage entrance was open for short periods only. At other times, delegates had to use the 46th Street entrance, which created difficulties when traffic was heavy. She wondered whether the Garage Administration intended to address that problem.

30. **Mr. Niwa** (Assistant Secretary-General for Central Support Services) said that the well-being of visiting dignitaries, delegates, staff and visitors to the United Nations

was of paramount importance to the staff of the Security and Safety Service. He had absolute faith in their ability to gauge the level of risk and the protection required. The members of the Committee must bear in mind that, in the interest of security, it was not always possible to give full answers to questions on the work of the Service, although he would endeavour to respond to the points raised.

31. **Mr. Barnwell** (Guyana), speaking on behalf of the Group of 77 and China, said that he had yet to receive clarification with respect to the failure to submit the reports requested in General Assembly resolutions 51/214 B and 53/208 B.

The meeting rose at 11.30 a.m.

United Nations A/C.5/53/SR.49

General Assembly
Fifty-third session

Official Records

Distr.: General
30 March 1999

Original: English

Fifth Committee

Summary record of the 49th meeting
Held at Headquarters, New York, on Monday, 15 March 1999, at 10 a.m.

Chairman: Mr. Armitage (Vice-Chairman) ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 141: Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti (*continued*)

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

99-80277 (E)

In the absence of Mr. Abelian (Armenia), Mr. Armitage (Australia), Vice-Chairman, took the Chair.

The meeting was called to order at 10 a.m.

Agenda item 141: Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti (*continued*) (A/52/869; A/53/789 and A/53/846)

1. **The Chairman** invited the Committee to resume its consideration of agenda item 141, entitled "Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti", and drew the Committee's attention to the revised budget for the period from 1 July 1997 to 30 June 1998 and the revised budget for the period from 1 July 1998 to 30 June 1999 (A/52/869), the additional requirements for the period from 1 July 1998 to 30 June 1999 (A/53/789), and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/53/846).

2. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report (A/53/846), said that the report contained the views and recommendations of the Advisory Committee based on its review of the Secretary-General's report on the financing of the United Nations Civilian Police Mission in Haiti (MIPONUH) (A/53/789). He noted that when the Advisory Committee had submitted its proposals to the General Assembly regarding MIPONUH in 1998, the Security Council had extended the Mission to 30 November 1998 but had not indicated whether any further extensions were contemplated. The Security Council had subsequently extended the Mission to 30 November 1999. Since the resources had been indicated as being essentially intended for the liquidation of the Mission, the Secretary-General had had to revise the Mission's requirements ending 30 June 1998, as summarized in paragraph 2 of the Advisory Committee's report.

3. The Advisory Committee commended the Secretary-General on the preparation of his report, especially with regard to the manner in which the Secretariat had followed the Advisory Committee's general recommendations on streamlining the preparation of peacekeeping reports contained in document A/52/860.

4. The Advisory Committee concurred in the Secretary-General's proposals, and in paragraph 14 of its report (A/53/846) recommended that the General Assembly should approve the appropriation and assessment of the amount of $12,264,015 gross ($11,577,615 net) for the period from 1 July 1998 to 30 June 1999, in addition to the amount of $17,704,085 gross ($16,959,085 net) already appropriated and assessed under General Assembly resolution 52/246.

5. In paragraph 13 of its report, the Advisory Committee recommended that the Secretariat should review the functions assigned to individual contractors as enumerated in annex V to the Secretary-General's report. The Advisory Committee was of the view that some of those functions should be performed by mission staff.

The meeting rose at 10.08 a.m.

United Nations A/C.5/53/SR.50

General Assembly
Fifty-third session

Official Records

Distr.: General
1 April 1999

Original: English

Fifth Committee

Summary record of the 50th meeting
Held at Headquarters, New York, on Tuesday, 16 March 1999, at 10 a.m.

Chairman: Mr. Abelian ..... (Armenia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 115: Improving the financial situation of the United Nations (*continued*)

Other matters

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

99-80283 (E)

The meeting was called to order at 10 a.m.

Agenda item 115: Improving the financial situation of the United Nations (*continued*)

1. **Mr. Connor** (Under-Secretary-General for Management), presenting an analysis of the financial situation of the Organization at the end of 1998 and forecast for the year ahead, said that his statement would be circulated as an official document of the General Assembly (A/53/514/Add.2). He also drew attention to a series of charts which had been circulated informally.

2. Aggregate assessments had decreased from $4 billion in 1995 to $2 billion in 1998 and would be about $1.8 billion in 1999, which was encouraging. Regular budget assessments – just over $1 billion for 1998 – had been relatively flat over the past five years, whereas peacekeeping assessments had plummeted from their peak in 1995 to only $907 million in 1998. Tribunal assessments had risen steeply, reaching $99 million in 1998, and increasing again to $155 million in 1999.

3. There had been positive but small changes in 1998 in the three key indicators of cash, unpaid assessments, and amounts due to Member States for troops and contingent-owned equipment, although it was too soon to say whether those changes would be harbingers of continued progress.

4. Total combined cash at year end was $736 million in 1998, compared with $669 million in 1997. However, peacekeeping cash was down from $923 million in 1995 to $768 million at year end 1998, which was a negative sign. The decrease was due to lower peacekeeping assessments, together with the absence of significant arrearage payments by Member States in 1998.

5. The deficit in regular budget cash was down from $195 million at year end 1995 to only $40 million at year end 1998. That figure, which was much lower than in any of the previous three years, could be attributed to two main factors: first, the major contributor had made a significantly larger regular budget payment during the final quarter of 1998 than in previous years, with less being deferred for payment in the year; and, second, a record 117 Member States had paid their regular budget assessments in full by the end of 1998, a continued upward trend which the Secretary-General wished to acknowledge.

6. The timing of the payment by the United States was crucial to the financial position of the United Nations at year end. In 1998, national legislation had permitted prompter payment of the assessed amounts. However, if the United States reverted in the future to its previous pattern of payment, paying a larger portion of its assessment in the following year, regular budget cash deficits would again arise.

7. With those two positive developments, the need to cross-borrow from peacekeeping cash in order to fund the shortfall in regular budget cash had greatly subsided in 1998. That change had come about just in time, given the diminishing amount of peacekeeping cash available for borrowing.

8. Assessments for the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda had risen steeply because of the increase in their activities. Cash-flow numbers had therefore been presented separately, rather than being subsumed within the data for peacekeeping as in the past. Even with the larger cash balance, however, there would be no possibility of cross-borrowing from Tribunal cash, since Tribunal costs related mainly to salary and travel obligations, which must be paid currently.

9. Unfortunately, there had been only a marginal reduction in the level of unpaid assessments at year end from $2,062 million in 1997 to $2,031 million in 1998, despite the better payment record of the United States. The improvement in regular budget cash collections had not been matched in the case of peacekeeping and Tribunal assessments, and the overall rate of collection remained disappointing. In 1994, assessments had been high, but a relatively low level had been unpaid at year end; whereas, in 1995, despite the reduction in assessments, the amount unpaid had increased; in 1998, assessments had been much lower than in 1994, but unpaid assessments had remained high. The problem of arrears was becoming intractable. That fact was reflected by the greater number of Member States losing their right to vote in the General Assembly under Article 19. In 1995, the first notification with respect to Article 19 had listed 25 such States, whereas, in 1999, the number had been 42.

10. Despite the continuing high level of aggregate unpaid assessments, regular budget arrears were declining, totalling $417 million at 31 December 1998, compared with $564 million in 1995. The United States accounted for 76 per cent of all regular budget arrears and Brazil for 7 per cent, while the remainder was owed by 66 other Member States.

11. Total unpaid peacekeeping assessments had risen over the past year by $20 million to $1,594 million at year end 1998. There had been a decrease of $10 million in the amount owed by the Russian Federation and an aggregate reduction of $8 million in the arrears of other Member States. However, the amounts owed by the United States and

Ukraine had increased by $36 million and $2 million respectively.

12. Unpaid Tribunal assessments had aggregated $20 million at 31 December 1998, up $6 million since 1997. While the ratio of the amount unpaid to the level of assessments made during the year was only 20 per cent, far better than the ratios for regular budget and peacekeeping assessments, a warning note had been struck.

13. The level of debt to Member States for troops and contingent-owned equipment at year end 1998 remained virtually unchanged from the figures for 1997 and 1996, despite the decrease in peacekeeping assessments from $1.4 billion to less than $1 billion over the same period. New obligations incurred in 1998, totalling $204 million, had mostly been reimbursed to Member States, in line with the Secretary-General's intention not to allow the Organization's aggregate debt to rise. Also, a downward revaluation of equipment debt of $34 million had been made, resulting in year end debt of $872 million, a reduction of $12 million. However, it was clear that, at that rate of reimbursement, the Organization would be unable to liquidate its debt to Member States unless sizeable arrearage payments were received. A data sheet had been circulated informally showing the sums owed to Member States, including letters of assist and death and disability obligations. The Secretary-General was grateful to them for their patience and forbearance.

14. Turning to the outlook for the year ahead, he said that the positive developments that had begun in 1998 appeared to be continuing in 1999. As at 28 February, 49 Member States had paid their regular budget assessments in full, compared with 39 the year before. Some $405 million had been received, $88 million more than the comparable figure at the end of February 1998. Of those countries whose contributions represented more than 1 per cent of total regular budget assessments, France, Italy, Canada, the Netherlands, the Russian Federation, Australia, Belgium and Sweden had paid in full by the end of February, while Germany and the United Kingdom had paid significant amounts.

15. As to the regular budget cash balance projected for the end of 1999, the major unknown variable was the amount that would be received from the United States, since that would depend on the legislation enacted for the fiscal year beginning on 1 October. Three scenarios had been envisaged. Historically, the Secretariat had not included in its projections payments that were subject to the adoption of enabling legislation. Thus, in the first scenario, it had been assumed that no payments would be received from the United States after 1 October 1999. If that was the case, the regular budget cash amount on 31 December 1999 would be a negative $246 million. The second scenario presupposed that the United States would make an end-of-year payment similar to that received in the last months of 1998, resulting in a projected regular budget cash deficit of $46 million. The third scenario postulated that the United States would pay sufficient funds in the last quarter of 1999 to reduce its total arrears to the equivalent of two years' outstanding. A regular budget cash surplus would be the likely outcome, together with a higher combined cash amount.

16. The peacekeeping cash balance was more difficult to forecast since the pattern of payments was more complicated and less predictable than for the regular budget. There might also be additional assessments. In fact, the 1999 estimates had had to be revised downwards following the recent decision by the Security Council not to renew the mandates of the United Nations Observer Mission in Angola (MONUA) and the United Nations Preventive Deployment Force (UNPREDEP). Consequently, it was now forecast that peacekeeping assessments for 1999 would total only $650 million compared with $907 million in 1998. Peacekeeping cash available at the beginning of 1998 had been $768 million. Receipts during 1999 were expected to be constant, albeit lower than in 1998, allowing for average monthly disbursements of approximately $60 million, which would result in a peacekeeping cash balance of $738 million at 31 December 1999. That figure took account of estimated disbursements of $149 million to repay debt for troops and contingent-owned equipment. On that basis, the amount owed to Member States at the end of 1999 would be $864 million, only slightly down from the figure for 1998. The peacekeeping cash available must be held back to cover current and future peacekeeping activities more safely. The collection of assessments in arrears would thus remain the key to the repayment of debts to Member States.

17. The projections for the combined cash balance at the end of 1999 were based on the same three scenarios used for the regular budget cash balance forecasts. If the Organization only received cash for which enabling legislation already existed, combined cash at year end would total $492 million. But, if the sums received from the major contributor were equal to those paid in 1998, the resulting balance would be $692 million. In the best-case scenario, with the likely impact of Article 19 factored in, the combined cash balance at year end would be higher than in any recent year.

18. Thus, despite the positive developments of 1998, the Organization's financial future was still hostage to various factors of instability, namely the decrease in peacekeeping

cash; the unpredictable level and timing of payments by the United States; larger arrearages in assessment collections; and the debt to Member States for troops and contingent-owned equipment that simply could not be liquidated.

19. **Mr. Henze** (Germany), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Lithuania, Poland, Romania, Slovakia and Slovenia, and, in addition, Liechtenstein and Norway, said that while a greater number of Member States had fully paid their contributions to the regular budget by the end of 1998 compared to the previous year, and cross-borrowing from peacekeeping budgets had significantly decreased, the Organization's financial situation remained serious and was increasingly attracting critical attention in the German national and the European Parliaments. Total outstanding contributions for the regular, peacekeeping and Tribunal budgets had amounted to some $2 billion at the end of 1998, about 65 per cent of which had been owed by a single Member State. Sustainable improvement would not be possible as long as Member States did not pay their arrears in full; all Member States must comply with their obligation under the Charter to pay their assessments in full, on time and without conditions.

20. It was particularly important for the United States of America, the Organization's major debtor, to pay its dues. As a permanent member of the Security Council it had a special responsibility towards the United Nations. While it was the largest contributor to the budget, its assessment was based on its capacity to pay based on agreed objective economic criteria, and it was also the sole beneficiary of the ceiling on contributions.

21. The practice of cross-borrowing from peace-keeping budgets in order to maintain the Organization's cash flow was at best imprudent, and potentially disastrous. The non-payment of contributions by some Member States put an unacceptable burden on countries that contributed troops and equipment to peacekeeping operations. The non-payment of arrears, especially by the Organization's major contributor and debtor, had contributed to the extreme difficulties being experienced in pursuing efficiency and the reform objectives proposed by the Secretary-General. It had also delayed long-needed investments in infrastructure. The comprehensive package of financial reforms proposed by the European Union some three years previously had yet to be thoroughly discussed, and progress in that area remained less than satisfactory.

22. **Mr. Barnwell** (Guyana), speaking on behalf of the Group of 77 and China, said that the Group wished to underscore the intergovernmental nature of the United Nations and reaffirm the legal obligation of Member States to bear the expenses of the Organization in accordance with its Charter and to pay assessed contributions in full, on time and without conditions. It recognized, however, the need to extend sympathetic understanding to Member States temporarily unable to meet their financial obligations owing to genuine economic difficulties. The continuing cash-flow deficit in the regular budget had regrettably obliged the Secretariat to resort to internal cross-borrowing from peacekeeping budgets. The consequent delays in reimbursement to those developing countries contributing troops and equipment continued to be of concern. The only viable solution was for Member States to honour their legal obligations and to pay their arrears promptly.

23. **Mr. Sulaiman** (Syrian Arab Republic) said that his delegation wished to support the statement made by the representative of Guyana on behalf of the Group of 77 and China. He also wished to announce that his country had paid the third annual instalment of the six payments of arrears due for peacekeeping operations and for the two International Tribunals. His country would not contribute towards the cost of the United Nations Disengagement Observer Force (UNDOF) or the United Nations Interim Force in Lebanon (UNIFIL). Its position with regard to those two forces was well known, namely, that the aggressor whose belligerence was the reason for their presence should pay their expenses. He affirmed his country's commitment to the payment of all arrears due for peacekeeping operations, in accordance with the six-year payment plan it had submitted to the Secretary-General in 1996. That plan would ensure that all arrears would be paid, with the exception of contributions towards UNDOF and UNIFIL.

24. **Ms. Aragon** (Philippines), speaking on behalf of the Association of South-East Asian Nations (ASEAN), said that she supported the statement made on behalf of the Group of 77 and China. The Organization's continuing financial difficulties were adversely affecting its ability to implement mandated programmes and activities fully and effectively. She regretted that peacekeeping funds continued to be borrowed to finance regular-budget activities, since that practice prevented the United Nations from reimbursing contributors of troops and equipment, many of which were developing countries.

25. The financial crisis was attributable not to the scale of assessments for the regular or peacekeeping budgets, but to the late payment or non-payment of assessed contributions, particularly by the major contributor. ASEAN took note of the pattern of payments made by the major contributor in the last quarter of 1998, and encouraged the latter to continue to progress along those lines. The practice of imposing

conditions for the payment of those dues should not be allowed to continue, as it was not in keeping with the letter and spirit of the Charter, to which all Member States had willingly subscribed. The early settlement of arrears and the timely payment of future assessments were the only effective means of solving the Organization's financial problems.

26. **Mr. Cho Chang-beom** (Republic of Korea) said he regretted that, at a time when the United Nations was being called upon to take on more responsibilities to meet new challenges, its ability to do so was continuously hampered by a recurring cash-flow deficit. Although regular-budget cash deficits had declined, as had cross-borrowing from peacekeeping funds, the root causes of the Organization's chronic difficulties had not yet been addressed, as shown by the fact that the year-end aggregate balance of unpaid assessed contributions for 1998 was virtually the same as that for 1997, while the level of unpaid assessments remained intractable.

27. The continuing practice of cross-borrowing from the peacekeeping budget to cover cash-flow deficits in the regular budget was financially imprudent and particularly detrimental to contributors of troops and equipment, whose reimbursements were already delayed. Moreover, as peacekeeping activities diminished, cross-borrowing might cease to be a viable option for cash management in the near future. The current crisis had resulted primarily from the major contributor's lack of political will to fulfil its financial obligations under the Charter. The Republic of Korea had consistently paid its assessments in full and on time, and called upon Member States in arrears, particularly the major contributor, to do likewise. Lastly, he regretted that the High-level Open-ended Working Group on the Financial Situation of the United Nations had failed to produce tangible results, and hoped that continued attention would be paid to various incentives to induce Member States to pay their dues on time.

28. **Mr. Sklar** (United States of America) said that his delegation recognized its obligation to pay the arrears owed to the Organization, and was working with the current Administration to resolve the problem. It would attempt to continue the practice of accelerating its regular budget payments in order to reduce the year-end borrowing made necessary by the arrears. The Under-Secretary-General's report had clearly indicated that the United States had met or exceeded its regular budget obligations for four of the past five years. In view of the Administration's ongoing efforts to deal with the arrears problem, as well as of his country's general legislative process, he urged the Committee to consider a payment level somewhere between the second and third of the three scenarios presented by the Under-Secretary-General as being the most likely.

29. He also urged the Secretariat to consider reducing the current positive cash balance for peacekeeping operations by a prudent amount and using the resulting funds to repay those troop-contributing countries whose national budgets had been most critically affected by the delayed reimbursement.

30. The scale of assessments for both the regular and peacekeeping budgets was indeed out of balance with the current economic conditions of many countries. His delegation recognized that that issue was unrelated to the problem of the arrears, however, as were the questions of management improvement and efficiency in the Organization. He also urged Member States to seriously consider eliminating programmes that were no longer relevant in order to free financial resources for programmes more applicable to current needs.

31. **Mr. Greiver** (Uruguay) said that his delegation fully associated itself with the statement made by Guyana on behalf of the Group of 77 and China. It was concerned by the persistence of the Organization's financial difficulties, particularly in connection with reimbursements to troop-contributing countries. It was unfair to expect some Member States to finance the failure of others to fulfil their obligations.

32. **Mr. Zhang Wanhai** (China) said that his delegation had noted that while the financial situation of the United Nations had improved only slightly, the largest contributor was still in arrears and, as a consequence, the Organization continued to be obliged to borrow from peacekeeping budgets, and troop-contributing countries were still owed a large amount of money.

33. His delegation supported the statement made by Guyana on behalf of the Group of 77 and China, and pointed out that the current financial crisis was unrelated to the issue of the scale of assessments, which had been agreed to by all Member States. Despite adverse domestic conditions, the Chinese Government had not only paid its assessment for the current year in full, but had done so at an earlier point in the year than previously. On the eve of the new millennium, all Member States, especially the major contributor, should make earnest efforts to fulfil their obligations to the Organization in full, on time and without conditions.

34. **Ms. Buergo Rodríguez** (Cuba) said that she fully supported the statement made by the delegation of Guyana on behalf of the Group of 77 and China. The information presented at the current meeting showed that the

Organization's cash-flow position was still critical. The only hope for a lasting solution to that problem was offered by the countries listed in chart 10, which had paid their regular-budget contributions in full, and by other countries, such as Cuba, that were striving to meet their financial obligations to the United Nations. As a result of its efforts in 1998 to pay its arrears to the regular and peacekeeping budgets and to the budgets for the International Tribunals, Cuba trusted that, in 1999, it would join the countries listed in chart 10.

35. The payment of assessed contributions in full, on time and without conditions was particularly important in the case of the major contributor, since it would change the financial situation considerably. The continued delays in reimbursing troop contributors remained a cause of concern. Her delegation took note of the slight decrease in the Organization's deficit and in the indebtedness of the major contributor, as well as the reductions in the regular and peacekeeping budgets. Lastly, she stressed that the approved scale of assessments for the regular and peacekeeping budgets had no impact on the Organization's financial situation and that full and timely payment of those assessments was the only solution to the current crisis.

36. **Mr. Orr** (Canada) urged all Member States to honour their financial obligations to the Organization. With respect to chart 28, he asked for an estimate, based on current forecasts of 1999 assessments for the regular and peacekeeping budgets and for the budgets of the International Tribunals, of the amount which the major contributor would have to pay in 1999 to bring its arrears below its assessment level for the previous two years.

37. **Mr. Medina** (Morocco) said that, in the table showing the status of amounts due for troops and contingent-owned equipment, the figure given for Morocco was far below the actual amount due. He wondered how the figure had been calculated.

38. **Mr. Connor** (Under-Secretary-General for Management) said that he wished to state firmly and unequivocally, in reply to the United States delegation, that the essence of prudent financial management was to hope for the best and prepare for the worst. The major uncertainties affecting the Organization's future financial position meant that the amount of cash in the peacekeeping budget could dry up very quickly. The proposal made by the United States concerning the reimbursement to certain contributors of troops and equipment would involve the disbursement of preferential payments, which had not been authorized by Member States. The manner in which reimbursements were paid to Member States was very structured, and the cash paid out had to come from the relevant mission account.

39. In reply to the representative of Canada, he said that he could not disclose the information requested because of the difficulty of forecasting, at the current time of year, how much any given Member State would have to pay in order to avoid the application of Article 19 of the Charter. The amount required could be affected by a number of factors, such as national legislation and Security Council decisions regarding peacekeeping missions. If the major contributor paid the same amount in 1999 as in 1998, the Organization's cash-flow position would still be negative. However, if it paid enough of its arrears to avoid the application of Article 19, the Organization's cash-flow position would be above zero.

40. In reply to the Moroccan delegation, he said that the amounts due to Member States for troops and equipment did not include additional payments due for letters of assist and death and disability claims, since the Organization's practice was to honour its obligations under the latter two items as promptly as possible.

Other matters

41. **Mr. Sulaiman** (Syrian Arab Republic) said that he was still awaiting an answer from the Secretariat to the questions he had asked previously concerning the telephone system and the garage at Headquarters.

The meeting rose at 11.30 a.m.

United Nations A/C.5/53/SR.51

General Assembly
Fifty-third session

Official Records

Distr.: General
7 April 1999

Original: English

Fifth Committee

Summary record of the 51st meeting
Held at Headquarters, New York, on Friday, 18 March 1999, at 10 a.m.

Chairman: Mr. Abelian ..... (Armenia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 141: Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti (*continued*)

Agenda item 119: Human resources management (*continued*)

Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Organization of work

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

99-80301 (E)

The meeting was called to order at 10 a.m.

Agenda item 141: Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti (*continued*) (A/C.5/53/L.40)

Draft resolution A/C.5/53/L.40

1. **Mr. Sulaiman** (Syrian Arab Republic), Rapporteur, iintroduced draft resolution A/C.5/53/L.40, drawing articular attention to paragraph 9, and expressed the hope that the draft resolution would be adopted without a vote.

2. *Draft resolution A/C.5/53/L.40 was adopted.*

Agenda item 119: Human resources management (*continued*)

Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Gratis personnel provided by Governments and other entities (A/53/417/Add.1, A/53/715, A/53/847; A/C.5/53/54)

3. **Mr. Wortel** (Director Operational Services Division, Office of Human Resources Management), introducing the reports of the Secretary-General, said that the report entitled "Gratis personnel provided by Governments and other entities" in document A/53/715 had been submitted in response to General Assembly resolution 51/243. It included a quarterly report on the acceptance of gratis personnel, which showed a 26 per cent decrease in type II gratis personnel, and an annual report on the use of gratis personnel, which showed a 55 per cent reduction in type II gratis personnel.

4. The report "Gratis personnel provided by Governments and other entities" in document A/C.5/53/54 was a quarterly report on the use of gratis personnel, covering the period from 1 October to 31 December 1998. During that period, the total number of type II gratis personnel had decreased by 30 per cent.

5. The report entitled "Gratis personnel" (A/53/847) had been submitted in response to General Assembly resolution 53/11. With the cooperation of Member States, all type II gratis personnel had been phased out as of 28 February 1999, except for one person in the International Tribunal for the Former Yugoslavia.

6. The Secretariat took note of the comments made by the Advisory Committee in its report (A/53/417/Add.1), particularly with regard to the waivers granted to gratis personnel in recruitment for the International Tribunal for the Former Yugoslavia. It agreed that the panel of eminent persons should not have been classified as type II gratis personnel; the records would be corrected accordingly.

7. All heads of departments and offices would be reminded of the need to comply with the policy and guidelines of the General Assembly with regard to the phase-out of type II gratis personnel; a detailed administrative instruction would be issued shortly.

8. **Mr. Barnwell** (Guyana), speaking on behalf of the Group of 77 and China, said that those countries deeply regretted the late submission of the report of the Secretary-General (A/53/715), as a result of which the report of the Advisory Committee had been delayed, and the Committee had resumed consideration of the issue after a considerable delay.

9. The Group sought clarification as to why the reports of the Secretary-General and of the Advisory Committee did not comply with the provisions of General Assembly resolutions 52/214 B and 53/208 B regarding the format of reports. In future, all reports should comply with those provisions.

10. The Group reiterated its position that the Secretariat of the United Nations should consist of personnel recruited in accordance with the provisions of Articles 97, 100 and 101 of the Charter. General Assembly resolutions 51/243, 52/234, 52/248 and 53/11 should be fully implemented in letter and spirit. The Organization should not resort to the use of gratis personnel as a result of poor personnel planning, and gratis personnel should not be a substitute for staff to be recruited against authorized posts for the implementation of mandated programmes and activities. Moreover, gratis personnel should not be sought and accepted for positions kept vacant solely for financial reasons.

11. The Group of 77 and China noted with deep concern that 17 gratis personnel had been offered appointments in the International Tribunal for the Former Yugoslavia; that was a clear violation of the recruitment procedures set forth in General Assembly resolution 51/226, part III B, paragraph 26, and should therefore be considered in the context of agenda item 119. Meanwhile, the Group sought clarification from the Advisory Committee on the rationale for its observation that the Secretary-General should have sought prior concurrence from the General Assembly or the Advisory Committee before taking a decision which

contravened General Assembly resolution 51/226; the Advisory Committee's guidance on relevant regulations and rules and/or resolutions, if any, in that regard would be welcomed.

12. The Group of 77 and China also noted with deep concern the contents of paragraph 8 of document A/C.5/53/54, and the related comments of the Advisory Committee in paragraph 4 of its report (A/53/417/Add.1). It believed that the decisions of the Secretary-General on gratis personnel should comply strictly with General Assembly resolutions 51/243 and 52/234 and endorsed the Advisory Committee's observation that the prior concurrence of the General Assembly was necessary before any exception was made.

13. The Group of 77 and China noted, in annex VI to document A/C.5/53/54, that one person had been accepted as gratis personnel in the United Nations Office of the Iraq Programme for contracts processing, in violation of the General Assembly's request in resolution 52/234 that such functions should only be performed by United Nations personnel. It noted with deep concern the Advisory Committee's observations in paragraph 2 of its report that gratis personnel had been accepted to perform functions which should have been performed by Secretariat staff; in future, non-staff should not be accepted to carry out duties in violation of General Assembly resolutions 51/243 and 52/234.

14. The Group of 77 and China endorsed the Advisory Committee's comments in paragraph 6 of its report and hoped to receive a report before June 1999 stating that all gratis personnel had been phased out without exception.

15. **Mr. Yamagiwa** (Japan) said that his delegation looked forward to the completion of the phasing out of type II gratis personnel by the end of June 1999.

16. The Secretary-General's observation in paragraph 5 of his report (A/53/847) that the timely response to the recruitment exercise facilitated the expeditious processing of the recruitment of civilian and active military and civilian police personnel was not very clear in view of the extensions of the deadline for the submission of candidacies. Moreover, if the recruitment exercise for all those posts had been successfully completed within a period of a few months, it should be possible to complete other routine recruitment and placement procedures with the same speed.

17. With regard to the recruitment of some former gratis personnel at the International Tribunal for the Former Yugoslavia, his delegation was not convinced of the appropriateness of the Secretary-General's approval of the waiver of General Assembly resolution 51/226, paragraph 26, and did not find the justifications provided in paragraphs 91 to 94 of the report on human resources management (A/53/342) sufficiently credible. More information was needed in order to make a judgement in that respect. His delegation agreed with the Advisory Committee that the procedure followed had been in contravention of the provisions of General Assembly resolution 51/226, and had required prior concurrence of the General Assembly or the Advisory Committee. While recognizing the prerogatives of the Secretary-General as the chief administrative officer of the Organization, his delegation would deem any recurrence unacceptable.

18. **Mr. Sial** (Pakistan) said that the words "and other entities" should be removed from the title of the question under consideration since only Member States could be requested to provide gratis personnel.

19. With regard to the format of the documents before the Committee, it was regrettable that no clarification had been provided by the Secretariat about the failure to comply with General Assembly resolutions 52/214 B and 53/208 B.

20. His delegation fully agreed with the Advisory Committee that the Secretary-General should have sought the approval of the General Assembly before making an exception to paragraph 18 of General Assembly resolution 52/234, and asked why no such approval had been sought.

21. His delegation was puzzled that the Secretariat had waited for nine months after the adoption of General Assembly resolution 52/234 to circulate guidelines on the new policy to programme managers and department heads.

22. With regard to the recruitment of 17 gratis personnel to the International Tribunal for the Former Yugoslavia, his delegation agreed that there was no justification for violating the relevant General Assembly decisions, and sought clarification from the Advisory Committee as to whether there was any rule or regulation or General Assembly resolution under which the Secretary-General could seek to grant exceptions to established recruitment procedures.

23. **Ms. Incera** (Costa Rica) said that paragraph 13 of document A/AC.121/43, to be submitted to the Special Committee on Peacekeeping Operations, needed to be corrected, since it was not the Special Committee which had originated the programme for the phasing out of gratis personnel.

24. **Ms. Buergo Rodríguez** (Cuba) said that her delegation noted with deep concern the Advisory Committee's comment, in paragraph 2 of its report, that in the majority of cases the functions that were being performed by gratis

personnel could be performed by Secretariat staff. It was regrettable to note, in annex VIII to document A/53/715, that many functions were being carried out by gratis personnel at the United Nations Office at Nairobi (UNON); she asked why those functions were not being carried out by the consultants provided for in the budget. She also wished to know why the information from UNON had not been submitted on time. The information provided in annex VI should indicate the nationality of the persons concerned. Her delegation hoped that the General Assembly would now conclude its consideration of the subject of gratis personnel.

25. **Mr. Odaga Jalomayo** (Uganda) asked whether the four additional candidates for posts to be filled through secondment from active military and civilian police (A/53/847, para. 6) had been recruited. He requested information on the distribution of all the new posts by gender and nationality. With regard to the recruitment and placement of civilian staff (para. 7) he asked whether the one additional candidate had reported for duty in March 1999.

26. With regard to UNON (A/C.5/53/54, paras. 6 and 7), his delegation sought reassurance that there were no other cases of recruitment of gratis personnel which had not been reported, and that the Director-General had in fact phased out all type II gratis personnel by the deadline of 28 February 1999.

27. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), referring to the format of the Advisory Committee's report in relation to compliance with the provisions of General Assembly resolutions 52/214 B and 53/208 B, said that it had never been the Advisory Committee's intention to submit reports to the Fifth Committee which were contrary to the provisions of the General Assembly's directives. The Advisory Committee intended to take up the matter regarding the applicability of the above-mentioned resolutions to the submission of Advisory Committee reports. He would report to the General Assembly at the appropriate time.

28. In paragraph 4 of its report (A/53/417/Add.1) the Advisory Committee had noted, regarding the continuation of one gratis personnel beyond 28 February 1999 in the International Tribunal for the Former Yugoslavia, that whether or not the reasons for continuance in service might have been valid, the Committee strongly believed that the concurrence of the General Assembly should have been sought before any exception was made, in order to comply with General Assembly · solution 52/234. The Advisory Committee's observation in paragraph 5 related to the exception to General Assembly resolution 51/226 whereby the Secretary-General had recruited gratis personnel as staff members before six months had expired. The Advisory Committee pointed out that the procedure followed by the Secretariat was in contravention of the provisions of resolution 51/226 and that the Secretary-General should have sought prior concurrence from the Assembly or, had it not been in session, from the Advisory Committee.

29. It was usual for the Advisory Committee to perform functions on behalf of the General Assembly in some circumstances, for example, under the resolution on unforeseen and extraordinary expenses. If the Secretary-General faced a situation which had not been anticipated by the General Assembly, he would consult the Advisory Committee as to how to proceed. There were precedents in that regard.

30. Paragraph 4 dealt with a specific and clear stipulation from the General Assembly to terminate the contract by 28 February 1999. However, the Secretary-General, for a perfectly valid reason, had extended the contract without referring to the General Assembly. Had the Secretary-General sought prior concurrence from the Advisory Committee, or had he informed the Fifth Committee of the implications of not extending the post until the conclusion of the case, it would have been very difficult for the Advisory Committee or the Fifth Committee to have denied his request.

31. Similarly, the comments in paragraph 5 were a matter of management common sense. There was a clear provision from the General Assembly, but the Secretary-General's representatives had concluded that if they had not recruited those individuals quickly there would have been considerable delays in the cases being prepared. There again, the Secretary-General should have approached the Advisory Committee or the General Assembly and sought guidance on how to proceed.

32. **Mr. Sial** (Pakistan) said that the question of 17 gratis personnel appointed at the International Tribunal for the former Yugoslavia should have been dealt with in accordance with paragraph 18 of General Assembly resolution 52/234. Equally, the provisions of paragraph 26, part III B, of resolution 51/226 should not have been violated. Concerning prior concurrence, it was the General Assembly that should have been consulted in what were personnel matters.

Management irregularities causing financial losses to the Organization (A/53/849)

33. **Ms. Salim** (Assistant Secretary-General for Human Resources Management) introduced the report of the Secretary-General on management irregularities causing

financial losses to the Organization (A/53/849), highlighting part III on actions that might lead to financial losses, including losses due to mistakes, losses due to gross negligence and losses due to fraud. With regard to the recovery of such losses (part V), the systematic determination of the extent of personal financial liability needed to be addressed further. Those measures would be tackled as part of the development of accountability measures currently under consideration. Part VI dealt with reporting procedures.

Impact of the implementation of pilot projects on budgetary practices and procedures (continued) (A/52/852; A/C.5/53/53)

34. **Mr. Dossal** (Director, Management Policy Office), introducing the note by the Secretary-General on the impact of the implementation of pilot projects on budgetary practices and procedures (A/C.5/53/53), said that, for scheduling reasons, the Secretary-General was requesting that the consideration of the question should be deferred to the fifty-fourth session of the General Assembly, by which time the report requested would be available.

35. **Mr. Stein** (Germany), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, and, in addition, Norway, said that, in the view of the European Union, the following elements were relevant in dealing with irregularities committed by staff members: a clear set of rules allowing for appropriate and effective action once irregularities had occurred; adequate internal controls and oversight aimed at preventing such irregularities or at unearthing them if they occurred; and a management environment which promoted good management, discouraged irregularities and took decisive action on the basis of existing rules.

36. In that connection, the European Union welcomed the statement in the Secretary-General's report (A/53/849) that every possible effort would be made to recover the losses incurred as a result of fraudulent conduct, gross negligence or wilful disregard of the rules, regulations, and policies of the Organization. The European Union believed that the rules and tools to act were generally in place and at the disposal of the Organization, and that they should be fully employed. It was particularly vital for staff members, especially those in supervisory positions, to be aware of the need for accountability and the need to address cases of wrongdoing. If such situations occurred, staff members should know their duties and responsibilities. The Assistant Secretary-General for Human Resources Management should be fully informed by the department head concerned of any case of wrongdoing at the same time as it was reported to the Controller.

37. The European Union agreed with the Secretary-General that it would be unrealistic to expect staff, when making decisions, to exercise perfect judgement at all times, and that mistakes made should be addressed through effective performance management. Unfortunately, the recent history of the Organization showed that that principle had not always been followed. The European Union hoped that with the establishment and full implementation of the Performance Appraisal System, mistakes, which were in fact a category of underperformance, could and would be consistently addressed by the Organization. The Integrated Management Information System (IMIS) could also play an important role in ensuring the proper implementation of regulations and rules. Furthermore, while it was the duty of staff at all times to strive for the highest standards of competence, integrity and efficiency, the Organization, when filling posts with administrative and financial responsibilities, must choose the right staff to discharge the functions that they were entrusted with, particularly at the managerial levels, and it must provide them with adequate training so as to enable them to cope with the ever-growing complexity of their tasks. The European Union believed that the Office of Human Resources Management should continue to play an important role with regard to standard-setting and policy development as well as monitoring of implementation.

38. **Ms. Buergo Rodríguez** (Cuba) said it was regrettable that nearly a year and a half after the original request by the Assembly regarding the impact of the implementation of pilot projects on budgetary practices and procedures, the Secretariat had still not been able to provide the information requested. The Secretary-General's note (A/C.5/53/53) stated that the Committee's deliberations on human resources management would be used by the Secretariat as an input in its preparation of the report to be submitted. Those deliberations were, however, unrelated to the report; she wished to know how the Secretariat had been able to establish such a link and how it could be that information on the implementation of pilot projects depended on the outcome of the Committee's deliberations on human resources management. She hoped that, at the second part of the resumed session in May, the Committee would be able to consider the item in depth on the basis of the report to be submitted. It was regrettable that no decision could be taken at the current meeting.

39. The impact of the implementation of pilot projects on budgetary practices and procedures should be considered under the agenda item on the programme budget, which was the context in which the original report had been requested by the General Assembly.

40. Her delegation was concerned about the financial losses that management irregularities caused the Organization. In that regard she wished to know how much the issuance of reports that did not contain enough accurate information to permit the General Assembly to take a decision cost the organization.

41. **Mr. Moktefi** (Algeria) said that document A/C.5/53/53 did not provide any substantive information on which the Fifth Committee and the General Assembly could take decisions. The report on the pilot project at ECLAC, which would have helped the Committee to understand in practical terms the impact of the delegation of authority to programme managers, was not available. His delegation deplored that situation and wondered how a report requested by the General Assembly could take so long to be issued. Any decision by the Committee taking note of document (A/C.5/53/53) should include a paragraph expressing the General Assembly's regret at the belated issuance of the report.

42. **Mr. Repasch** (United States of America) said that the report on management irregularities (A/53/849) was very useful and informative and was particularly enlightening when viewed in the context of the report of the Office of Internal Oversight Services on allegations of theft of funds by United Nations Conference on Trade and Development staff members (A/53/811). Referring to the executive summary of the OIOS report, and to paragraphs 16 and 44, he said that his delegation wanted a formal written response from the Secretariat on the action taken against the Chief of Administrative Service, who had abnegated his supervisory responsibility and had been promoted instead of being disciplined.

43. **Mr. Sulaiman** (Syrian Arab Republic) said that his delegation was surprised that the report on management irregularities (A/53/849) contained theoretical information on the principles to be applied, but nothing on the substance of the question.

44. Not enough information had been provided in document A/52/852 to allow his delegation to conclude that implementing the pilot projects would not impact either procedures or the existing Financial Regulations and Rules. He hoped the forthcoming report would address the question in greater depth.

45. Finally, he drew attention to errors in the Arabic versions of the titles of documents A/53/849 and A/C.5/53/53.

46. **Mr. Jara** (Chile) said that his delegation awaited with special interest the report on the pilot project at ECLAC. After that report had been received it would be possible to enter into an informed and constructive debate on the matter.

47. **The Chairman** suggested that the Committee should recommend to the General Assembly that it should take note of the note by the Secretary-General contained in document A/C.5/53/53; regret that the information requested in accordance with General Assembly decision 53/456 had not been submitted; and decide to defer consideration of the question of the impact of the implementation of pilot projects on budgetary practices and procedures to the second part of its resumed fifty-third session.

48. *It was so decided.*

49. **The Chairman** said that he would transmit the report of the Secretary-General on management irregularities causing financial losses to the Organization (A/53/849) to ACABQ for its consideration.

Organization of Work

50. **The Chairman** said that, because of lack of time, he took it that the Committee wished to defer consideration of agenda item 117, Pattern of conferences, to the second part of the resumed fifty-third session.

51. *It was so decided.*

52. **Mr. Sulaiman** (Syrian Arab Republic) said that, pending formal consideration of that item, he would like to hear the views of the Secretariat on some questions of interest to his delegation. First, he would like a status report on the translation of documents on the standardization of geographical names. Second, he requested an explanation of the reason why the press release containing General Assembly resolutions adopted at the main part of the fifty-second and fifty-third sessions had not been translated into Arabic. Third, it was his understanding that the book *Basic Facts about the United Nations* was available in English, French and Spanish, but he would like to know why it was not available in the other three official languages.

53. **Mr. Sial** (Pakistan) said that his delegation would welcome a report from the Secretariat on the implementation of General Assembly resolutions 52/214 and 53/208.

The meeting rose at 12.15 p.m.